



TOWN OF SURFSIDE, FLORIDA

****FIRST ADDENDUM-August 17, 2011**** RESORT TAX AUDITING SERVICES RFP #11-04

SUBMITTED QUESTIONS/RESPONSES

1. Page 5 states that there are 26 businesses registered to collect resort taxes – we assume all 26 businesses will be subject to this audit?

Response: All 26 businesses will be subject to the audit. The number will grow as new Resort taxable establishments are added and vacancies in the downtown area become tenanted. There is no guarantee, however, that all 26 businesses will be audited in the first year. Priorities will be established by the Town and are subject to budgetary constraints.

2. Page 5 states that the audit start date will be October 1, 2011 – we assume that the first audit would then be for the fiscal year ended September 30, 2011? We assume that the audits will cover all 12 months of a given fiscal year?

Response: The due date and the receipt of resort taxes, without penalty, runs behind by one month. Nevertheless, the audits may cover up to three fiscal years, depending on establishment, and do not necessarily have to run consecutively with the Town's fiscal year.

3. With respect to the internal audits/special projects, do you wish that we provide average billing rates since we can't propose a specific dollar amount without knowing the scope of each of the special audits?

Response: We need a blended hourly rate that includes all processes necessary for the bidder to complete the scope of work. Whether the hours are clerical or partner level, we should receive a blended rate. Remember that the Town desires audits that meet professional standards and the bidder should determine what levels are necessary to meet those standards. Each audit will be awarded based on the expected number of hours to complete and the blended rate bid by the firms prequalified through this procurement process.

4. With respect to question 2 above, if the audits are to be performed for the fiscal year ended September 30, 2011, then the audits for the first part of the fiscal year through June 30, 2011 would be performed under the old ordinance (we noted that the new ordinance was passed in June 14 2011) which will need to be provided?

Response: The Town Attorney will render an opinion on whether the audits will be performed based on the old ordinance and/or new ordinance. In the meanwhile, copies of the Town charter based on the old resort ordinance are available on the Town website (www.townofsurfsidefl.gov) and also have been included within this First Addendum as an attachment.

OLD RESORT ORDINANCE

ARTICLE IV. RESORT TAX*

***Charter references:** Resort tax, § 69-A.

Sec. 70-106. Tax imposed.

In addition to all other taxes of every kind imposed by law there is hereby imposed and levied a resort tax of four percent upon the rent of rooms in any hotel, motel or apartment house, as same are defined in F.S. ch. 212, and two percent upon the retail sale of all items of food, beverages and alcoholic beverages, other than beer or malt beverages, sold at retail for consumption on the premises of any place of business required by law to be licensed by the state division of hotels and restaurants or by the state division of alcoholic beverages and tobacco, provided that the tax shall not apply to sales which are less than \$0.50. Nothing contained in this section shall be construed to impose a tax upon, or be applicable to, the unexpired term of any bona fide written lease in effect prior to the effective date of the ordinance from which this article was derived, or any renewal thereof within the same hotel, motel or apartment house, which is otherwise exempt pursuant to subsection 70-110(5).

(Ord. No. 1286, § 1(11-45), 8-11-92)

Sec. 70-107. Payment and collection.

The resort tax imposed under this article shall be collected from the person paying the rent and the person purchasing food, beverages and alcoholic beverages for consumption on the premises. It shall be the duty of every person renting a room or rooms, and every person selling at retail for consumption on the premises, food, beverages and alcoholic beverages, other than beer or malt beverages, in acting as the tax collection medium or agency of the town, to collect from the person paying the rent or the retail sales price, for the use of the town, the tax imposed and levied under section 70-106.

(Code 1960, § 11-46)

Sec. 70-108. Tax returns; due date; forms, etc.

It shall be the duty of each person acting as the tax collection medium or agency of the town, as described in section 70-106, to make a return to the town manager on or before the last day of the month following the close of each calendar month, on forms provided by the town manager, of the total nonexempt rents or sales prices charged and received together with the amount of tax collected. Payment of the amount collected must accompany each report. All taxes collected by a tax collection medium or agency shall be held in trust for the account of the town until actual payment thereof has been made to and receipted for by the town manager.

(Code 1960, § 11-47)

Sec. 70-109. Use of tax revenue.

(a) Any and all funds received under and by virtue of the resort tax imposed by this article shall be used for no other purpose than as follows:

- (1) *Tax collection expense.* Payment of necessary expenses of collecting, handling and processing of such tax.
 - (2) *Promotion of town.* For publicity, advertising, promotional events and tourist and convention bureau activities, including at least one annual publication listing all hotels, motels, apartment houses, business and community facilities with an outline of their accommodations, the information of which will be beneficial and necessary for the promotion of tourism.
 - (3) *Town facilities.* Any monies not expended for the items set forth above in subsections (1) and (2) of this subsection (a) shall be used for capital improvements and maintenance of the town's facilities, limited only to the community center, prevention of beach erosion and the enlarging, care, maintenance and beautification of the town's public beaches, all of the foregoing being necessary adjuncts to the promotion of tourism in the town.
 - (4) *Allocation.* In order to facilitate budget procedures and enunciate commission policy, the funds received shall be allocated and used in the following percentages:
 - a. Five percent of total resort tax for tax collection expense.
 - b. Forty-five percent of resort tax attributable to retail sales and two percent on room rentals for promotion of town.
 - c. Fifty percent of resort tax attributable to retail sales and two percent on room rentals for town facilities.
 - d. One hundred percent of resort tax attributable to two percent on room rentals for community center and tourism-related facilities.
 - (b) Anything in this section to the contrary notwithstanding, ultimate and final decision for appropriation of funds in the resort tax budget shall remain with the town commission for implementation upon adoption of the town budget.
 - (c) If the resort tax proceeds in any fiscal year exceed or are less than the budgeted amount, expenditures in the above three categories shall be adjusted proportionately in that fiscal year.
- (Ord. No. 1287, § 1(11-48), 8-11-92; Ord. No. 1309, § 1, 1-12-93)

Sec. 70-110. Exemptions.

The resort tax authorized in this article shall not be imposed or levied upon or collected from:

- (1) Any person who shall reside continuously longer than six months at any one hotel, apartment house or roominghouse, and shall have paid the tax levied by this section for six months of residence in any one hotel, roominghouse or apartment house.
 - (2) Any federal, state, county or municipal government or agency thereof.
 - (3) Nonprofit religious, educational or charitable corporations or institutions when engaged in religious, educational or charitable activities within the purview of their nonprofit or charitable purposes.
 - (4) Transactions involving less than \$0.50.
 - (5) Any person who is or becomes an occupant under a written lease for a period of 12 consecutive months or more in any apartment, motel or hotel in the town.
- (Code 1960, § 11-49)

Sec. 70-111. Penalties and interest.

In addition to any other penalties, the following are hereby levied and imposed upon each person acting as the tax collection medium or agency of the town, as described in section 70-106, for failure to follow and comply with this article:

(1) *Original delinquency.* Any person who fails to remit the resort tax imposed by this article within the time provided shall pay a penalty equal to ten percent of the amount of such tax, in addition to the full amount of such tax.

(2) *Continued delinquency.* Any person who fails to remit the resort tax imposed by this article on or before the 30th day following the date upon which such tax has become delinquent shall pay a second penalty equal to ten percent of the amount of such tax, in addition to the full amount of such tax and the first ten percent penalty.

(3) *Fraud.* If the town manager determines that the nonpayment of any resort tax imposed by this article is due to fraud, a penalty equal to 25 percent of the amount of such tax shall be paid in addition to the penalties imposed by this section.

(4) *Interest.* Any person who fails to remit the resort tax imposed by this article within the time provided shall pay interest at the rate of one-half of one percent per month, or portion thereof, on the full amount of such tax, exclusive of penalties from the date upon which such tax first became delinquent until fully paid.

(Code 1960, § 11-50)

Secs. 70-112--70-130. Reserved.